GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:77
ANSWERED ON:02.07.2009
SUBSIDY ON FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the subsidy provided by the Government on fertilizers during each of the last three years and the current year;

(b) whether the farmers are not getting the requisite benefit of subsidy on fertilizers;

(c) if so, the reasons therefore;

(d) whether the Government proposes to pass on subsidy directly to the farmers according to their economic status; and

(e) if not, the steps taken/being taken by the Government to ensure that the poor and marginal farmers get the maximum benefit of subsidy?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) The quantum of subsidy disbursed by Government on fertilizer during the last three years and the expenditure on subsidy for the current year till 29-6-2009 is as below:

(Rs. In Crore)

Item	Amount of Subsidy (Gross) disbursed			
	2006-07	2007-08	2008-09	2009-10 (Exp. As on 29.6.09)
Imported Urea	5071.06	9934.99	12971.18	464.36
Indigenous Urea				
Cash	12650.37	12950.37	17968.74	5210.60
Bonds	-	3500.00	3000.00	
Imported P&K				
Cash	3649.95	5100.00	23847.69	8637.41
Bonds	-	1500.00	8750.00	
Indigenous P&K				
Cash	6648.16	7833.80	24707.10	3835.80
Bonds	-	2500.00	8250.00	

Total	28019.54	43319.16	99494.71	18148.17

Further, in the current year, the estimated requirement of fertilizer subsidy has been assessed at Rs.77,425.19 crore.(gross)

(b) & (c) Since, the fertilizer subsidy is transferred to farmers in the form of subsidized Maximum Retail Prices (MRPs) which are much below the normative cost of production and delivery of subsidised fertilizers at the farm gate level, the farmers are getting the requisite benefit of subsidy on fertilizers.

(d) & (e) Since the fertilizer subsidy is transferred to farmers through subsidized MRPs, small and marginal farmers are also benefited to the extent they use fertilizers in their fields. Further the Government is looking into various possibilities for delivery of fertilizer subsidy to the farmers. However, no final decision has been taken on any alternative mode of disbursal of subsidy inter-alia including direct subsidy to farmers according to their economic status or targeted subsidy to small and marginal farmers.